	Approved For Release 2005/06/13 : CIA-RDP79T00827A000800070004-9				
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I PROPOSE TO CONCENTRATE THIS AFTERNOON ON OUR TWO MAJOR THREATS--THE SOVIET UNION AND COMMUNIST CHINA--AND THEN, AS TIME PERMITS, TAKE UP THE SOUTHEAST ASIAN AREA GENERALLY, VIETNAM, THE CUBAN THREAT TO LATIN AMERICA. 25X1 WITH A QUICK LOOK AT SOME OF THE OTHER TROUBLE SPOTS.

THE SOVIET UNION

LEADERSHIP

- I. THE MEN WHO THREW KHRUSHCHEV OUT OF THE KREMLIN

 TWO AND A HALF YEARS AGO HAVE NOW HAD TIME TO

 ESTABLISH THEIR POLICIES, THEIR RELATIONSHIPS, AND THEIR

 WAY OF DOING BUSINESS.
 - A. WHAT HAS EMERGED IS ESSENTIALLY A COLLECTIVE LEADERSHIP.
 - 1. I THINK IT WAS GEORGE ORWELL, HOWEVER,
 WHO ADVANCED THE THESIS THAT UNDER COMMUNISM SOME PEOPLE ARE MORE EQUAL THAN OTHERS,
 AND THIS SEEMS TO APPLY TO THE SECRETARYGENERAL OF THE COMMUNIST PARTY, LEONID
 BREZHNEV.
 - 2. Brezhnev's standing has been growing steadily. He appears at least to be first among equals.
 - 3. But the major decisions, by and large, are apparently reached by compromise, and implemented with caution.
 - B. THIS TYPE OF COLLECTIVE LEADERSHIP ELIMINATES

 THE ERRATIC INITIATIVES KHRUSHCHEV WAS NOTED FOR.

 AND IT REDUCES THE CHANCES OF MAKING BIG MISTAKES.

 IT HAS TWO INHERENT WEAKNESSES, HOWEVER.

- 1. FIRST, THERE IS A BUILT-IN TENDENCY TO DUCK OR POSTPONE THE HARD DECISIONS,
 FOR INSTANCE, SUCH HIGHLY POLITICAL PROBLEMS AS ECONOMIC REFORM, AND THE ALLOCATION OF CRITICAL RESOUCRES, HAVE NOT BEEN RESOLVED.
- 2. SECOND, THE GOVERNMENT DEVELOPS A SPLIT

 PERSONALITY, WITH COLLECTIVE LEADERSHIP ON THE

 SURFACE, WHILE A SUBTLE STRUGGLE FOR POWER AND

 POSITION CONTINUES UNDER COVER.
- C. THE PRESENT LEADERS ARE A BLEND OF MIXED INTERESTS

 AND AUTHORITY, AND WHATEVER THEY MAY NOW THINK OF

 THE ONE-MAN REGIMES OF STALIN AND KHRUSHCHEV, THAT'S

 WHERE THEY LEARNED THE GAME.
- 1. THEY HAVE NOT YET DEMONSTRATED THAT THEIR

 MACHINERY CAN MAKE THE HARD DECISIONS OVER

 THE LONG RUN, AND AT THE SAME TIME CHECK THE

 NATURAL DRIFT TOWARD ONE-MAN RULE.
 - 2. So far, they have held together remarkably well, mainly by undramatic, middle-of-the-road policies. The guiding principle has been:
 "Don't rock the boat."
- II. THIS KREMLIN RULE-BY-COMMITTEE IN NO SENSE IMPLIES ANY WEAKENING OF THE MAJOR THRUST OF SOVIET FOREIGN POLICY, WHICH CONTINUES TO CENTER ON THE EXPANSION OF RUSSIAN INFLUENCE BEYOND THE BORDERS OF THE SOVIET UNION.
 - A. THE COLD WAR DID NOT END WITH THE CUBAN MISSILE CRISIS, THE FALL OF KHRUSHCHEV, THE NUCLEAR TEST

BAN TREATY, OR THE SINO-SOVIET DISPUTE.

- B. RATHER, THE COLD WAR HAS CHANGED ITS CHARACTER AND ITS TACTICS. IT IS MORE POLITICAL, MORE SUBTLE, MORE GRADUAL. THE GOALS REMAIN THE SAME.
- C. THE LOW-KEYED STYLE OF BREZHNEV AND KOSYGIN, IN FACT, IS PROBABLY BETTER SUITED TO THE COLD WAR AND THE NUCLEAR STALEMATE, AS THEY NOW STAND, THAN THE FLAMBOYANCE OF KHRUSHCHEV.
- D. BREZHNEV AND KOSYGIN ARE MOVING MORE SLOWLY, BUT
 THEY ARE STILL MOVING ALONG THE SAME TESTED LINES
 OF POLICY AS THEIR PREDECESSORS, AND PERHAPS MORE
 EFFECTIVELY.

MILITARY

- III. ONE GOOD MEASURE OF COMMUNIST COMMITMENT TO THE CONTINUATION OF THE COLD WAR IS TO EXAMINE WHAT THE RUSSIANS ARE DOING TO PREPARE FOR A POSSIBLE "HOT WAR." FOR SEVERAL YEARS THE SOVIET UNION HAS BEEN PUTTING A MAJOR EFFORT INTO A DYNAMIC PROGRAM OF MILITARY RESEARCH AND DEVELOPMENT.

 LOOKING FOR SOME KIND OF A BREAKTHROUGH THAT MIGHT END THE NUCLEAR STALEMATE AND SWING THE BALANCE OF POWER IN SOVIET FAVOR. (Chart, Soviet Defense Budgets)
 - A. THE SOVIET MILITARY BUDGET THIS YEAR IS THE BIGGEST SINCE WORLD WAR II--WE CALCULATE IT AT 19.8 BILLION RUBLES, WHICH WILL BUY THE RUSSIANS THE EQUIVALENT OF ABOUT \$54 BILLION SPENT IN THIS COUNTRY. ABOUT ONE THIRD OF THE TOTAL IS GOING

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FOR STRATEGIC OFFENSE AND STRATEGIC DEFENSE.

THE BULK OF THIS SHARE IS GOING INTO RESEARCH

AND DEVELOPMENT, OR INTO SOPHISTICATED MILITARY

HARDWARE FOR ADVANCED WEAPONS SYSTEMS.

- C. THE SOVIETS HAVE NOT ACHIEVED THE BREAKTHROUGH
 THEY HAVE BEEN LOOKING FOR, AND WE HAVE NO INDICATIONS
 THAT THEY MAY BE ON THE VERGE OF ONE.
 - 1. THEY ARE, HOWEVER, IMPROVING ACROSS THE BOARD,
 PARTICULARLY IN THEIR STRATEGIC OFFENSIVE AND
 DEFENSIVE CAPABILITIES.

25X1

AT THE SAME TIME, AS YOU MAY HAVE SEEN IN THE ACCOUNTS OF SECRETARY McNamara'S CONGRESSIONAL TESTIMONY, THEY ARE DEPLOYING A DEFENSIVE SYSTEM AROUND MOSCOW DESIGNED TO INTERCEPT INCOMING BALLISTIC MISSILES.

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- IV. THE IMPORTANT CONCLUSION TO BE DRAWN FROM EVERYTHING WE KNOW ABOUT THE SOVIET MILITARY ESTABLISHMENT IS THIS:
 - A. THE SOVIETS CONTINUE TO INCREASE THEIR MILITARY
 BUDGET AND THEIR EFFORT TO ACHIEVE A MAJOR
 BREAKTHROUGH.
 - B. OVER THE NEXT FEW YEARS, THE RESULTING IMPROVEMENTS

 ARE GOING TO GIVE THE SOVIET LEADERS INCREASING

 CONFIDENCE THAT THEY ARE CREATING AN EFFECTIVE

 DETERRENT, IN THE FORM OF A MILITARY MACHINE WHICH

 CAN UNDERGO NUCLEAR ATTACK, AND STILL DELIVER ENOUGH

 PUNCH TO DESTROY A SIGNIFICANT PORTION OF THE

 POPULATION AND RESOURCES OF THE UNITED STATES.
 - C. WE DO NOT BELIEVE THAT THE SOVIETS THEMSELVES

 EXPECT TO BE STRONG ENOUGH--EVEN OVER THE NEXT

 TEN YEARS--TO CONSIDER THE DELIBERATE INITIATION

 OF A WAR AGAINST THE UNITED STATES.
 - D. But growing confidence in offensive and defensive capabilities is one of the factors which could lead to disastrous miscalculations when two countries are trying to face each other down, at the brink of a war which neither may want.

SOVIET RELATIONS WITH UNITED STATES.

- I WANT TO TOUCH BRIEFLY ON JUST TWO FACETS OF SOVIET FOREIGN POLICY--RELATIONS WITH THE UNITED STATES, AND THE SINO-SOVIET DISPUTE.
- IN PUBLIC. SOVIET SPOKESMEN ARE TAKING THE LINE THAT VI. ANY IMPROVEMENT IN U.S.-SOVIET RELATIONS IS GOING TO BE VIRTUALLY IMPOSSIBLE AS LONG AS WE ARE ATTACKING THEIR COMMUNIST BRETHREN IN NORTH VIETNAM.
 - THIS IS NOT ONLY A USEFUL BARGAINING POSITION WHICH TENDS TO MAKE US COMES TO THEM, BUT THEY ARE PRACTICALLY FORCED TO TAKE THIS STAND BECAUSE THE CHINESE COMMUNISTS ARE ACCUSING THE KREMLIN OF WORKING WITH THE UNITED STATES AGAINST NORTH VIETNAM.
 - IN FACT, HOWEVER, SOVIET LEADERS HAVE MADE IT CLEAR THAT THEY WANT TO AVOID ANY SHOWDOWN WITH WASHINGTON OVER THE VIETNAMESE ISSUE.
 - THEY ARE, OF COURSE, DELIGHTED TO SEE MAJOR PORTIONS OF OUR FORCES TIED DOWN IN VIETNAM, BUT THEY ALSO REALIZE THAT THEY MUST, KEEP THEIR LINES TO WASHINGTON OPEN AND WORKING, IF THEY WANT ANY PROGRESS ON THE ISSUES THAT REALLY CONCERN THEM--SUCH AS EUROPEAN SECURITY, ARMS CONTROL, GERMANY, AND EAST-WEST TRADE.
 - As you know, there has been some progress on issues NOT AFFECTING VIETNAM--FOR INSTANCE, THE RECENT CIVIL AIR AND SPACE AGREEMENTS, AND THE INDICATIONS



THAT IT MAY BE POSSIBLE TO AGREE ON A NUCLEAR NON-PROLIFERATION TREATY.

THE SINO-SOVIET DISPUTE

- VII. As for the status of the Sino-Soviet dispute, relations between Moscow and Peking have hit rock-bottom, and we do not expect to see any improvement as Long as the present leaderships remain in control at each end of the line.
 - A. THE CHINESE HAVE BEEN DOING THEIR BEST IN RECENT WEEKS TO GOAD MOSCOW INTO A FINAL BREAK IN DIPLOMATIC RELATIONS.
 - 1. They have eased up a bit on their virtual siege of the Soviet Embassy in Peking, but they have already demonstrated that they can force every last Russian out of China whenever they decide to do so.
 - B. Moscow is trying to hang on, and build a record which can be used to pin the blame on the Chinese if it comes to a final break. :
 - C. WHAT IS AT STAKE IS THE SUPPLY LINE TO NORTH VIETNAM.

 EACH COUNTRY WANTS TO BE ABLE TO PROVE THAT IT IS

 THE MAJOR SUPPORT OF THE NORTH VIETNAMESE, AND THAT

 THE OTHER COUNTRY IS JUST SITTING ON ITS HANDS, IF NOT

 ACTUALLY HINDERING THE WAR EFFORT.
 - D. ONE IMPORTANT BIT OF BACKGROUND INFORMATION IS

THAT THE PORT OF HAIPHONG IN NORTH VIETNAM,
WHATEVER THE HEADLINES MAY SAY, IS NOT A MAJOR
FACTOR IN THE SUPPLY OF WEAPONS TO NORTH VIETNAM,

- 1, WE KNOW WHAT GOES INTO HAIPHONG. SHIPS HAVE
 BROUGHT IN HALF A DOZEN BIG HELICOPTERS, AND
 THEY MAY HAVE BROUGHT IN AN OCCASIONAL BATCH OF
 SMALL ARMS OR AMMUNITION. OIL AND GAS, AND SOME
 TRUCKS, OF COURSE, ARE SHIPPED IN BY SEA.
- 2. But the weapons, and the bulk of the war materiel generally, come in <u>overland</u>, across <u>China</u>.
- 3. To a great degree, this is because of Soviet reluctance to risk a confrontation with the United States on the high seas.
- 4. AND THIS IS PRECISELY THE CONFRONTATION THE CHINESE COMMUNISTS WANT TO BRING ABOUT.
- E. Moscow has charged that the Chinese are diverting,

 DELAYING, SABOTAGING, STEALING, AND EVEN RE-LABELING

 SOVIET WAR MATERIEL PASSING THROUGH CHINA TO VIETNAM,
- F. THE CHINESE, ON THE OTHER HAND, HAVE ACCUSED MOSCOW OF "COWARDICE" FOR REFUSING TO SHIP BY SEA. PEKING PROBABLY BELIEVES THAT IN A PINCH, THE SOVIETS WOULD STILL REFUSE, AND PEKING COULD THEN TELL THE WORLD COMMUNIST PARTIES THAT RUSSIA HAD ABANDONED THE NORTH VIETNAMESE, RATHER THAN FACE UP TO AMERICAN SEA POWER.

COMMUNIST CHINA

- I. COMMUNIST CHINA ITSELF HAS BEEN ROCKED FOR ALMOST
 A YEAR NOW BY THE UPHEAVAL THEY CALL THE "CULTURAL
 REVOLUTION."
 - A. You have all seen pictures of swarms of Chinese Teen-agers on the march, holding little red books from which they chant quotations of Mao Tse-tung.
 - B. In China today, Mao's quotations are credited with almost miraculous power, although for the most part they are a collection of tired old cliches like "All power comes out of the barrel of a gun," or "Be resolute, fear no sacrifice, and surmount every difficulty to win victory."
 - 1. Peking Radio says fighter pilots shouted Mao's thoughts over the Intercom as they started a dog-fight, and were therefore able to shoot down a Chinese Nationalist aircraft.
 - A FORESTRY CONFERENCE IN PEKING CONCLUDED THAT
 THE STUDY OF MAO WOULD ENABLE THE FORESTRY SERVICE
 TO GROW BETTER TREES.
 - 3. A WORKER IN LANCHOU, WHO BROKE AN ARM, A LEG AND SEVERAL RIBS IN A FALL ON THE JOB, WAS REPORTED TO HAVE REFUSED SICK LEAVE, BECAUSE MAO'S THOUGHTS ENABLED HIM TO LIVE WITH THE PAIN.
 - D. Even the Russians, who have been known to quote Marx and Lenin, find Mao's thoughts a bit silly. Pravda cited the case of a Chinese who remarked that if a

wouldn't help him do it. He was denounced and purged, of course, because everybody in China knows that "a study of Chairman Mao's thoughts gives immediate results."

- II. To us, it sounds ridiculous, but for the Chinese it is in deadly earnest. A street mob recently forced the Chinese Chief of State, Liu Shao-chi, to recite Mao quotations from memory, and ridiculed him when he fluffed a line. This idolatry of Mao is the keystone of the cultural revolution.
 - A. Mao, AT 73, IS AGING, SICK, AND MORE AND MORE INFLEXIBLE.

 HE IS OBVIOUSLY CONCERNED THAT HIS COMMUNIST PARTY IS

 LOSING THE REVOLUTIONARY ZEAL OF ITS EARLY DAYS, AND

 CANNOT BE RELIED UPON TO KEEP CHINA ON THE RIGHT TRACK

 AFTER HE IS GONE.
 - 1. The teen-aged millions of the Red Guard are supposed to re-kindle that zeal with their unbridled and uncritical enthusiasm.
 - B. To Mao, then, the cultural revolution is primarily a drive to re-invigorate the Communist Party, or even to replace it with a more reliable, more fanatical, younger version.
- C. But for the Men who are competing to succeed Mao, it has

 (CHART CHICOM BECOME A NAKED STRUGGLE FOR POWER AND FOR SURVIVAL.

 III. DEFENSE MINISTER LIN PIAO WAS PROCLAIMED MAO'S SUCCESSOR

 LAST AUGUST. HE IMMEDIATELY BEGAN MOVING AGAINST ANY

 POTENTIAL RIVALS.

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- TOP OF THE PARTY MACHINERY, CHIEF OF STATE LIU

 SHAO-CHI, WHO USED TO RANK SECOND IN THE HIERARCHY,

 AND THE PARTY SECRETARY-GENERAL, TENG HSIAO-PING.
- B. Topay, Lin Piao still gets billing and praise second only to that given Mao, but he hasn't made a speech since early November, and hasn't appeared in public since late November.
- C. Instead, the Premier, Chou En-Lai, is the dominant figure in Peking.
 - 1. Chou represents the government, as Lin represents the Army, and Liu and Teng represented the Party. If there is such a thing in Communist China, he is a <u>relative</u> moderate. His main concern is to keep the government and the <u>economy</u> running.
- D. LIN PIAO IS PROBABLY AN ARRESTED TUBERCULOSIS CASE,
 AND WAS ALSO SEVERELY WOUNDED DURING THE CIVIL WAR,
 PERIODICALLY, HE HAS TO TAKE EXTENDED PERIODS OF
 COMPLETE REST, AND THIS MAY ACCOUNT FOR HIS ABSENCE
 SINCE NOVEMBER AND THE ASCENDANCY OF CHOU.
- IV. But we also have good indications that when the in-fighting among the Chinese leaders reached a critical point last January, the Chinese Army turned out to be somewhat less than monolithic in its loyalty to Mao and Lin.
 - A. THE OLD CHINESE WARLORDS HAVE BEEN SUCCEEDED BY POWERFUL PROVINCIAL PARTY BOSSES WHO HAVE STRONG FOLLOWINGS, A LONG WAY FROM PEKING, AND WHO OWE

THEIR JOBS TO LIU SHAO-CHI AND TENG HSIAO-PING Approved For Release 2005/06/13: CIA-RDP79T00827A000800070004-9

- (2)
- B. AT THE HEIGHT OF THE CRISIS, ORGANIZED WORKERS
 TOOK OVER THE STREETS IN PITCHED BATTLES WITH THE
 RED GUARDS, AND IN SOME INSTANCES ARMY TROOPS
 PROTECTED GOVERNMENT OFFICES, PARTY HEADQUARTERS,
 AND KEY INSTALLATIONS LIKE RADIO STATIONS FROM THE
 RED GUARDS.
- C. AT ONE POINT, PEKING NEWSPAPERS CHARGED THAT FOR SQME TIME, POWERFUL PROVINCIAL BOSSES AND A NUMBER OF KEY MILITARY FIGURES HAD BEEN PLOTTING AGAINST MAO.
- D. IN SHORT, THERE APPEARS TO HAVE BEEN FORMIDABLE
 OPPOSITION LINED UP AGAINST MAO AND LIN, AND AGAINST
 THE EXCESSES OF THE CULTURAL REVOLUTION.
 - WE CAN ONLY ASSUME THAT THE REASON THE ARMY WASN'T USED TO CRUSH THIS OPPOSITION OVERNIGHT WAS BECAUSE MAO AND LIN PIAO HAD REASON TO DOUBT THE LOYALTY OF AT LEAST SOME ARMY UNITS.
 - SPEECHES, NEGOTIATING WITH RECALCITRANT PROVINCIAL
 LEADERS, URGING THE RED GUARDS TO GO BACK TO SCHOOL,
 RESTORE
 AND EVEN DEPLOYING LIN'S TROOPS TO MATRIATIN ORDER,
 ALL THIS SUPPORTS THE THEORY THAT THE CHINESE COMMUNIS
 - ALL THIS SUPPORTS THE THEORY THAT THE CHINESE COMMUNISTS PROBABLY AVERTED A NEW CIVIL WAR BY PUTTING THE BRAKES ON THE CULTURAL REVOLUTION AND PUTTING THE MODERATES IN CHARGE FOR THE TIME BEING.
- V. WE DO NOT BELIEVE THAT MAD AND LIN HAVE BURIED THE HATCHET

 WITH THE OPPOSITION. AT THE END OF MARCH THEY RESUMED THE

 PREPARATORY PROPAGANDETO COMPLETE THE JOB OF DESTROYING

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- A. THERE IS ALSO A LEGACY OF MISTRUST AND BITTERNESS

 AMONG THE SURVIVING LEADERS WHICH MAKES IT VIRTUALLY

 CERTAIN THAT THE TURMOIL WILL BE RENEWED FROM TIME

 TO TIME.
- B. But for the moment the main note is evident in Chqu's repeated appeals to get the country moving AGAIN.
- C. THE CASUALTIES IN THE UPPER ECHELONS HAVE BEEN EXTENSIVE. THIS

CHART WHICH SHOWS HOW THE LEADERS RANKED IN 1958, AND HOW MANY OF THEM HAVE NOW BEEN PURGED.

- 1. This scorecard is not definitive. Covering the cultural revolution has been something like trying to pick the winner when a dozen cats are fighting under a rug.
- 2. But I call your attention to the group of 15

 VICE-PREMIERS DOWN IN THE LOWER RIGHT-HAND CORNER.

 These are the men who, under Chou, run the machinery of government.
- 3. THE PURGE HIT THESE MEN SO HARD THAT AT ONE POINT,
 THERE WERE ONLY SIX OF THEM, NOT COUNTING LIN PIAO,
 WHO HAD NOT FALLEN VICTIM TO THE RED GUARDS AND
 THEIR WALL POSTERS.
- 4. Chou had to appeal repeatedly that these six be left alone and allowed to get on with their work--and yet as recently as late March the Red Guards were howling for the heads of the Ministers of Planning.

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- VI. THE LONG-RANGE EFFECT OF THE CULTURAL REVOLUTION REMAINS UP IN THE AIR, BUT THERE ARE THREE POINTS WE CAN BE FAIRLY SURE OF:
 - ==First, until Mao goes and a new leader has taken

 FIRM CONTROL, China's leaders are going to be divided

 AND IN CONFLICT. They will find it difficult to agree

 TO ANY NEW POLICY LINE, SO WE DO NOT EXPECT

 ANY RAPICAL DEPARTURES FROM EXISTING POLICIES.
 - ==<u>SECOND</u>, FOR SOME TIME TO COME, THE CHINESE COMMUNISTS

 WILL PROBABLY SUFFER FROM A CULTURAL REVOLUTION HANGOVER

 THAT COULD LIMIT THEIR CAPACITY TO ENGAGE IN FOREIGN

 ADVENTURES.
 - == AND THIRD, WHOEVER WINS, WE CAN SEE NO REASON TO EXPECT ANY DILUTION OF PEKING'S IMPLACABLE HOSTILITY TOWARD THE UNITED STATES.



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SOUTHEAST ASIA

- I. OBVIOUSLY, THEN, WE CANNOT DISMISS OUT OF HAND THE POSSIBILITY OF A SHOOTING WAR WITH COMMUNIST CHINA, AND THE NATIONS OF SOUTHEAST ASIA HAVE EVEN MORE REASON TO BE APPREHENSIVE.
 - A. IN THE TIME THAT REMAINS, I PROPOSE TO TAKE A QUICK LOOK AROUND SOUTHEAST ASIA, AND THEN WIND UP WITH SOME NOTES ON THE VIETNAM PROBLEM.
 - THERE ARE TWO FACTS THAT CHINA'S IMMEDIATE NEIGHBORS HAVE TO BEAR IN MIND. (MAP PERING GEOCENTRIC
 - A. ONE IS THAT SOUTHEAST ASIA IS NORMALLY A RICE SURPLUS AREA, WHILE IN CHINA, OVER THE PAST NINE YEARS, THE POPULATION HAS GROWN BY 20 PERCENT WHILE FOOD PRODUCTION HAS EITHER STOOD STILL OR—IN BAD YEARS—DECREASED, LESS THAN 15 PERCENT OF CHINA IS ARABLE.
 - B. THE SECOND FACT IS THAT HISTORICALLY, AT ONE TIME OR ANOTHER VIRTUALLY EVERY ONE OF THE SMALL NATIONS SOUTH OF CHINA HAS BEEN A PART OR A VASSAL OF CHINA—ONE REASON THEY CALLED IT THE "MIDDLE KINGDOM," BECAUSE TO THE ANCIENT CHINESE IT WAS THE CENTER OF THE WORLD.

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INDONESIA

- C. For the foreseeable future, Japan and the Philippines are under our protection, but until recently, the 100 million people of Indonesia, with extensive potential resources and important strategic geography, were sliding slowly but surely into the grasp of Peking.
 - 1. The Chinese didn't have to build a single Landing craft, or make a belligerent gesture. They simply built up the Communist Party of Indonesia, supported and guided it, and convinced President Sukarno that Chinese Communism was the wave of the future.
 - 2. The pro-Western Indonesian Army had almost been neutralized; the anti-Communist political parties had been banned or placed under tight controls; and the Air Force and Navy were under pro-Communist leadership, when a badly timed and bungled coup attempt gave the Army leaders a chance to turn the tables.
 - 3. Today, the Communist Party of Indonesia has been shattered, and General Suharto has almost completed the delicate and difficult job of taking away all power from Sukarno. This has been time-consuming, because to many Indonesians Sukarno is still a combination of George Washington and Mohammed, ---with a considerable dash of Don Juan.

4. But the process has been something like saving a hunter from the wolves, only to find that he is dying of starvation. If it were possible to bankrupt a nation, Indonesia and a half is bankrupt. It owes more than two, billion dollars. Just to put the economy on a survival basis is going to take years of careful planning, international cooperation on re-scheduling debts,

CAMBODIA AND HEAVY INFUSIONS OF FINANCIAL HELP.

- D. THE KINGDOM OF CAMBODIA STANDS TODAY ABOUT WHERE INDONESIA STOOD FOUR OR FIVE YEARS AGO.
 - 1. The volatile ruler, Prince Sihanouk, has decided that over the long run the Communists, and Communist China in particular, are going to be the winners in the Far East.
 - 27 He is accordingly trying to take out insurance, both for his own future and for that of his country, by establishing close relations with Peking, and with the North Vietnamese and the Viet Cong.
 - PARTLY HE MAY HAVE HAD SOME SECOND THOUGHTS,

 PARTLY BECAUSE OF THE COURSE OF THE WAR IN VIETNAM,

 PARTLY BECAUSE THE COMMUNISTS HAVE REFUSED TO GIVE

 INDEPENDENCE
 HIM THE ASSURANCES HE WANTS ON THE PARESELTY OF

 CAMBODIA AND SOME LONG-STANDING BORDER DISPUTES

 WITH THE VIETNAMESE.



6. THE EVIDENCE IS THAT SIHANOUK IS AGAINST VIET CONG

USE OF CAMBODIAN TERRITORY FOR RE-GROUPING, REFUGE,

AND SUPPLY LINES, BUT HE DOES NOT HAVE FIRM CONTROL

OF THE REMOTE BORDER AREAS, SO THE VIETNAMESE COMMUNISTS

USE CAMBODIAN ASYLUM PRETTY MUCH AS THEY PLEASE.

LAOS

- E. Laos Theoretically was neutralized by the Geneva AGREEMENTS, AND IS RULED BY A COALITION GOVERNMENT OF RIGHTISTS, NEUTRALISTS, AND COMMUNISTS UNDER THE NEUTRALIST PRIME MINISTER, PRINCE SOUVANNA PHOUMA.
 - In actual fact, the principal rightists have made grabs for power and been driven from the country. The Communists have hung on to their half of Laos, which is vital for the Ho Chi Minh trail, the supply line to South Vietnam. They have refused to take the ministries assigned, to them in the Laotian government.



- THAT LEAVES THE NEUTRALISTS. THE NEUTRALIST MILITARY COMMANDER, KONG LE, HAS BEEN RENOUNCED BY HIS OWN OFFICERS, AND SHIPPED OUT OF THE COUNTRY. AND THE NEUTRALIST PRIME MINISTER, PRINCE SOUVANNA, HAS BECOME A FIRM ANTI-COMMUNIST THE HARD WAY.
- FOR ONE THING, THE COMMUNIST LEADER, HIS OWN HALF-BROTHER, PRINCE SOUPHANNOUVONG, HAS REFUSED TO NEGOTIATE OR EVEN MEET WITH HIM, AND HAS REFUSED TO ACCEPT THE AUTHORITY OF THE GOVERNMENT IN THE Pathet Lao, or Communist, part of the country.
- For another, there are now some 15,000 North VIETNAMESE COMBAT TROOPS, AND ANOTHER 13,000 TO 15,000 support troops, in Laos, showing no signs OF LEAVING.
- 5. THE FIGHTING IN LAOS DOESN'T HIT THE HEADLINES, BUT IT CONTINUES, GUERRILLAS OF THE MEO TRIBE, FIGHTING ON THE GOVERNMENT SIDE, MAKE A LITTLE HEADWAY IN THE RAINY SEASON, AND THEN THE NORTH VIETNAMESE TAKE IT BACK AGAIN IN THE DRY SEASON. LAST YEAR THERE WERE MORE THAN 1,600 ENGAGEMENTS IN LAOS. THIS IS TRULY THE "FORGOTTEN WAR."

THAILAND

- F. I WANT TO MENTION THAILAND BECAUSE, WHETHER YOU ACCEPT THE DOMINO THEORY OR NOT, THAILAND IS THE NEXT COMMUNIST TARGET IN SOUTHEAST ASIA.
 - Thailand is a member of the Southeast Asia Treaty

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(MAP, VIETNAM)

VIETNAM

- I. FINALLY. VIETNAM.
 - A. I AM NOT GOING TO GIVE YOU A BLOW-BY-BLOW ON THE MILITARY PROGRESS THERE; THAT COULD TAKE ALL DAY, WITHOUT ADDING TOO MUCH TO WHAT YOU CAN READ IN THE PAPERS.
 - B. INSTEAD, I THINK THE MILITARY SITUATION CAN BE SUMMARIZED THIS WAY: SINCE AMERICAN COMBAT TROOPS WENT IN IN THE MIDDLE OF 1965, WE HAVE TAKEN THE INITIATIVE AWAY FROM THE COMMUNISTS AS FAR AS MAIN COMBAT FORCES ARE CONCERNED; WE HAVE PREVENTED THEM FROM MASSING TO LAUNCH AN OFFENSIVE; AND WE HAVE INFLICTED HEAVY CASUALTIES.
 - C. LAST YEAR THE COMMUNISTS LOST 56,000 KILLED IN ACTION, BY ACTUAL BODY COUNT, AND ANOTHER 20,000 TURNED THEMSELVES IN.
 - YET OUR ORDER OF BATTLE SHOWS THAT THE ENEMY HAS MORE MEN THAN EVER UNDER ARMS--THE MAIN COMBAT FORCE CONSISTS OF 21 NORTH VIETNAMESE AND 12 VIET CONG REGIMENTS--MORE THAN 130,000 MEN IN ALL. THE PARA-MILITARY GUERRILLA FORCES BRING THE TOTAL UP TO AT LEAST 300,000.
 - E. THE INDICATIONS ARE THAT THE COMMUNIST COMMAND HAS DECIDED IT IS TOO COSTLY AT PRESENT TO FIGHT MAJOR MILITARY ENGAGEMENTS AGAINST SUPERIOR FIRE POWER AND AIR SUPPORT, SO THEY ARE GOING TO RE-EMPHASIZE CLASSIC GUERRILLA WARFARE.

1. This is NOT PURE GOOD NEWS. It is EASIER TO KILL For Release 2005/06/13: CIA-RDP79T00827A000800070004-9

STILL NORTH FOR MASS FOR NORTH ACK

D.



ONE WILDCAT THAN 10 WEASELS. SUPPRESSING
GUERRILLA WARFARE TAKES A GREAT DEAL MORE
EFFORT, AND VERY MUCH MORE TIME, THAN DEFEATING
A CONVENTIONAL MILITARY FORMATION IN PITCHED
BATTLE.

- F. There are no easy solutions. Some suggest that all we have to do is bomb Haiphong and the Ho Chi Minh trail. I have mentioned before that the war supplies that reach North Vietnam do not come in through Haiphong. As for the main supply line, we have estimated that last year. 155 Communist Battalions, each fighting on the average of one day out of every 35, could get by on as little as 20 to 30 tons of supplies a day brought in from outside—and if we could cut every road in Laos, they could still bring that much down the jungle trails on the backs of an army of coolies.
 - 1. Now there are even more battalions, and we are forcing them to fight much more often, but the discouraging fact is that during the four-day truce for the lunar New Year, when we suspended our air and sea interdiction, the Communists worked like beavers by daylight and moved not 20, but 15 to 20 thousand tons of supplies south, to and across the borders of South Vietnam.



- II. You can use the same summary for political stability, and for pacification. The news is encouraging, but we still have a long, long way to go.
 - A. SAIGON HAS COME UP WITH A GOOD DRAFT CONSTITUTION,

 AND THE OUTLOOK IS THAT BY THE END OF THIS YEAR,

 THE MILITARY REGIME WILL HAVE TURNED OVER AUTHORITY

 BY DUE PROCESS TO AN ELECTED, CIVILIAN GOVERNMENT.
 - IN THE FACE OF VIET CONG INTIMIDATION AND THREATS,

 MORE THAN 80 PERCENT OF THE REGISTERED VOTERS

 SEPTEMBER

 CAST THEIR BALLOTS LAST THIS MONTH, VOTING

 FOR VILLAGE AND DISTRICT COUNCILS IS SHOWING

 THAN SAME 80 PERCENT PARTICIPATION.
 - More than 20 percent of the population lives in areas under firm Viet Cong control, and here, of course, there were no elections.
 - 3. But we calculate that more than 70 percent of the eligible voters are registered in areas not under Viet Cong control, and when 80 percent votes. That means that 56 out of every 100 eligible citizens are casting their ballots, which is an excellent performance by American standards..
 - B. As for pacification, A LITTLE MOFE THAN 60 PERCENT

 OF THE TOTAL POPULATION IS COUNTED IN AREAS CONSIDERED

 UNDER FIRM GOVERNMENT CONTROL. A MAJOR EFFORT IS

 GOING TO BE MADE TO EXPAND AND FIRM UP PACIFICATION,

 AND THE ENEMY KNOWS IT.



- 1. In the first 12 weeks this year, There were more than 200 attacks on the specially trained pacification teams trying to restore order and develop loyalty in the countryside—and more than 100 of these attacks came in March alone, so the pace is being stepped up.
- 2. A GOOD SHARE OF THE SOUTH VIETNAMESE ARMY IS NOW GOING TO BE ASSIGNED TO PROVIDING SECURITY FOR THE PACIFICATION EFFORT, WHILE THE AMERICANS.

 SOUTH KOREANS. AUSTRALIANS AND NEW ZEALANDERS CONTINUE TO HUNT DOWN THE ENEMY MAIN FORCE.
- III. THERE IS NOT, AND THERE NEVER HAS BEEN, ANY GREAT SENSE OF NATIONALITY IN VIETNAM; THE VILLAGER KNOWS LITTLE ABOUT THE CENTRAL GOVERNMENT IN SAIGON. TO HIM, AUTHORITY IS THE HAMLET HEADMAN, OR THE VILLAGE CHIEF, OR POSSIBLY THE DISTRICT CHIEF. THIS IS ONE THING THE SPECIAL TEAMS ARE TRYING TO REMEDY.
 - A. But this does <u>not</u> mean what you often read. That the Villagers prose the Saigon government and really support and sympathize with the Viet Cong. And we have the evidence to show this.
 - B. If this were a"people's war of liberation." As

 THE COMMUNISTS CALL IT. ITS LEADERS WOULD BE LOCAL

 PATRIOTS.

CENTRAL OFFICE FOR SOUTH VIETNAM, WHICH DIRECTS BOTH
THE COMMUNIST MILITARY EFFORT AND THE POLITICAL WORK
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Approved for Release 2005/06/13: CIA-RDP79T0027A000800070004-9 OF THE SO-CALLED NATIONAL LIBERATION FRONT, IS COMMANDED BY-A NORTH VIETNAMESE GENERAL, NGUYEN CHI THANH, WHO IS THE SECOND-RANKING MAN IN THE NORTH VIETNAMESE ARMED FORCES, GENERAL GIAP'S

1. I do not recall that either the Marquis de Lafayette or Baron von Steuben ran the Continental Congress or commanded the army during our Revolution.

DEPUTY, AND A MEMBER OF THE NORTH VIET POLITBURO.

- 2. In COSVN, THE DEPUTIES TO NGUYEN CHI THANH FOR BOTH MILITARY AND POLITICAL AFFAIRS ARE NORTH VIETNAMESE GENERALS WHO ARE MEMBERS OF THE CENTRAL COMMITTEE OF THE NORTH VIET COMMUNIST PARTY.
- 3. WE HAVE IDENTIFIED AT LEAST FIVE OTHER SENIOR NORTH VIETNAMESE GENERALS RUNNING MAJOR MILITARY COMMANDS IN SOUTH VIETNAM SINCE 1964.
- D. IT IS INTERESTING TO NOTE THAT THERE ARE FOUR MILITARY REGIONS, RUNNING FROM NORTH TO SOUTH, IN NORTH VIETNAM, AND THE VIET CONG CONTINUED THE SAME NUMBERING SYSTEM, STARTING WITH MILITARY REGION FIVE AND RUNNING ON DOWN ACROSS SOUTH VIETNAM.
 - 1. But the two northernmost provinces of SVN are in MILITARY REGION FOUR, ADMINISTERED AS PART OF THE DRV FROM HANOI.
 - 2, MR FIVE, which runs down to Darlac and Khanh Hoa provinces, is commanded by a North Vietnamese,

 Lt.General Hoang Van Thai, who is the North Vietnamese Vice Minister of Defense.
- E. AS FOR THE NATIONAL LIBERATION FRONT, WHICH IS SUPPOSED Approved For Release 2005/06/13: CIA-RDP79T00827A000800070004-9

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TO BE A COALITION OF ALL REBEL PATRIOTIC ELEMENTS,
REPRESENTATIVE OF ALL OF THE SOUTH VIETNAMESE PEOPLE,
IT HAS FIVE VICE CHAIRMEN--AND AT LEAST THREE OF THE
FIVE ARE KNOWN COMMUNISTS.

IV. IV. In the final analysis, the Communists know that they can no longer win by terrorism or by force of arms in South Vietnam; they can only win by waiting us out, by hoping that the Free World forces which defend South Vietnam-- and that means mainly the United States--will tire of the war and pull out, or be forced out by world public opinion.

This hope explains why they show no readiness to negotiate. It sustains them—and at the same time, it is their ultimate vulnerability, because if we can make it clear to them that there is no such hope, that the beginning of democracy in South Vietnam are going to be defended, not deserted—then Hanoi too will finally be forced to realize that this particular ball game is over.

AT THIS POINT, I PROPOSE TO SKIP GEOGRAPHICAL ORDER, AND JUMP TO CUBA, BECAUSE TODAY THERE ARE ACTUALLY THREE BRANDS OF COMMUNISM--RUSSIAN, CHINESE, AND CUBAN--WHICH POSE A THREAT TO US, AND FIDEL CASTRO'S EFFORTS TO SPREAD HIS REVOLUTION IN THIS HEMISPHERE CAN BE PARTICULARLY VIRULENT AND VIOLENT,

$CUB\,\Lambda$

(MAP, CUBA)

I. Fidel Castro, in Cuba, has been endowed by the Soviets with the strongest military establishment in Latin America.



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